

MORTGAGE BANKERS ASSOCIATION,  
Washington, DC, May 5, 2009.

Hon. NANCY PELOSI,  
Speaker of the House, U.S. House of Representatives,  
Washington, DC.

Hon. JOHN BOEHNER,  
Republican Leader, U.S. House of Representatives,  
Washington, DC.

DEAR SPEAKER PELOSI AND LEADER BOEHNER: On behalf of the 2,400 members of the Mortgage Bankers Association (MBA), we are writing with regard to H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, a bill the House is scheduled to consider later this week.

Congress is facing a once-in-a-generation opportunity to improve the mortgage lending process. If carefully crafted, improved regulation is the best path to restoring investor and consumer confidence in the nation's lending and financial markets and assuring the availability and affordability of sustainable mortgage credit for years to come. At the same time, if regulatory solutions are not well conceived, they risk exacerbating the current credit crisis.

While we applaud the comprehensive nature of H.R. 1728, we believe this legislation misses the opportunity to replace the uneven patchwork of state mortgage lending laws with a truly national standard that protects all consumers, regardless of where they live.

MBA is also concerned with the bill's requirement that lenders retain at least five percent of the credit risk presented, by non-qualified mortgages. While this provision was improved by the Financial Services Committee, it will still make it highly problematic for many lenders to operate, particularly smaller non-depositories that lend on lines of credit. It will also necessitate that larger lenders markedly increase their capital requirements. Both results will narrow choices, lessen credit, and force an inefficient use of capital at the worst possible time for our economy.

Finally, MBA believes the bill's definition of "qualified mortgage" is far too limited and will result in the unavailability of sound credit options to many borrowers and the denial of credit to far too many others. We urge the House to expand the definition and to provide a bright line safe harbor so that if creditors act properly, they will not be dogged by lawsuits that increase borrower costs.

MBA would like to commend the House for the priority it has given to reforming our mortgage lending process. It is imperative that we continue to work together to stabilize the markets, help keep families in their homes and strengthen regulation of our industry to prevent future relapses.

Sincerely,

JOHN A. COURSON,  
President and Chief  
Executive Officer.

DAVID G. KITTLE, CMB  
Chairman.

I would like to read from that letter signed by John Courson, president and chief executive officer, and David G. Kittle, chairman, and these are people who are in the business, and they say this bill will "narrow choices, lessen credit, and force an inefficient use of capital at the worst possible time for our economy."

□ 1115

So the argument that I'd make is that evidently the Fed—their rules were not accused of this. They were seen by the industry and by consumer groups as the right thing to do. We're worried about it.

So we'll give the gentleman full credit. The Democrats get full credit for bringing the bill to the floor today. I don't know who's going to vote for it and I don't know who's going to vote against it, but what I will say is let the facts of the case be very evident—narrow choices, lessening credit, and a force of an inefficient use of capital at the worst possible time for our economy.

Republicans are for balance. We are not for and would not support something that would be described by the industry as bad for consumers.

I reserve the balance of my time.

Ms. PINGREE of Maine. I reserve the balance of my time.

Mr. SESSIONS. I want to thank not only the gentlewoman for extending the time, but also the gentleman, Mr. FRANK, for engaging in this issue.

Mr. Speaker, testifying to the Financial Services Subcommittee on behalf of a coalition of consumers, advocacy groups, and labor organizations from across the country, Margaret Saunders of the National Consumer Law Center, called this bill "convoluted and virtually impossible as a mechanism to solve the current problem." Convoluted and virtually impossible as a mechanism to solve the current problem.

We need to go back to the drawing table and remove many of the political provisions which will only cause further damage in the marketplace. It will further damage a fragile mortgage market that is in need of greater certainty, not more uncertainty.

This afternoon in the Rules Committee, my friends on the other side of the aisle will have an opportunity to allow for quality changes to the underlying legislation, opportunities for Members of this body to hear debate and vote on amendments. I encourage an open rule, which will be an open and honest discussion just like we've had here on the floor today, on the discussions that the House will handle tomorrow.

With respect to the 50-plus amendments to the legislation that were submitted to the Rules Committee yesterday morning, we'd like to see them all be made in order. Congress has an opportunity to provide for quality, meaningful returns, and to help the current mortgage lending process, and it is my hope that my Democrat colleague friends will allow for that process.

With that, I oppose this rule and look forward to a better rule tomorrow. As always, I think that a better rule tomorrow, an open rule, will yield not only the intended results, but will help the American people to know what we intend to do with this legislation.

I yield back the balance of my time.

Ms. PINGREE of Maine. First, I once again want to thank Mr. MILLER and Mr. WAMP, my colleagues, for their excellent work on this bill, and to Chairman FRANK for his work as well and for being here on the floor with us today for some very lively and important debate that clearly emphasized the im-

portance of this bill, how long we have waited for this reform, and the damage that has been done by not having this reform for this considerable length of time.

By ensuring borrowers only secure loans that they can afford, this legislation will give Americans the best opportunity to purchase and maintain a home.

This legislation is about accountability. It will reward people who play by the rules and guarantee hard consequences for those individuals and institutions that do not. It's good for borrowers, it's good for lenders, and it is very good for our economy as a whole.

I urge a "yes" vote on the previous question, and on the rule.

I yield back the balance of my time, and move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. WATT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1728, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

The SPEAKER pro tempore (Ms. PINGREE of Maine). Pursuant to House Resolution 400 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1728.

□ 1120

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes, with Mr. ROSS in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from North Carolina (Mr. WATT) and the gentleman from Texas (Mr. NEUGEBAUER) each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Thank you, Mr. Chairman. I yield myself 5 minutes.

Mr. Chairman, today could easily be a day toward a celebration for myself,